ILLINOIS BUSINESS REVIEW

A MONTHLY SUMMARY OF BUSINESS CONDITIONS FOR ILLINOIS

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HIGHLIGHTS OF BUSINESS IN MARCH

General business continued strong in March, but the relaxation of pressures prevailing since the Chinese intervention in Korea made for a more leisurely rate of advance.

Paced by record steel production and continued high output of consumer durable goods, the Federal Reserve Board index of industrial production in March attained a new peacetime high of 223, surpassing the previous high of 221 reached in January and February of this year. In the week ended March 26, steel mills operated at 103.5 percent of rated capacity and turned out an all-time high of 2,069,000 net tons of ingots and castings. Consumer goods continued to appear in large volume despite mounting defense production. Nearly 2 million motor vehicles were produced in the first quarter of 1951 as against 1.6 million in the corresponding period of 1950; the latter figure, however, was abnormally depressed by the strike at Chrysler early last year.

Price Increases Moderated

Prices show some tendency to level off. The highly sensitive index of 28 spot commodity prices declined 2.7 percent during March, on the basis of lower prices for imported and industrial raw materials. The Bureau of Labor Statistics wholesale price index, which generally lags the spot price index, rose only fractionally. Lower prices for foods and chemicals did not quite offset higher wholesale prices for farm products, meats, and textiles. The full effect of the past increases in wholesale prices is yet to be felt on the retail level; in the month ended February 15 the consumers' price index rose 1.3 percent.

Prices received by farmers were down nearly 1 percent from mid-February to mid-March, the first decline since last October. Lower prices for food grains, dairy products, hogs, and truck crops were responsible. Because of this slight downturn in prices received and some increase in prices paid by farmers, the parity ratio dropped two points to 111 on March 15.

Dissension on the Labor Front

The split between the labor and other stabilization officials early in March hampered the mobilization effort. The immediate cause of the split was labor's dissatisfaction with the government's restriction of wage increases to 10 percent above the January, 1950, level in the face of continued price increases. As a result of these price increases, the government faces the ticklish problem of reconciling its wage ceiling with the escalator clauses in many union contracts tying wages to the cost of living. These clauses now call for wage increases above the ceiling.

Meanwhile, employment continues to rise. The 60.2 million employed in March set a new record for the month, exceeding last March by 2.6 million.

Capital Outlays Soaring

If businessmen adhere to the intentions expressed in a recent government survey, outlays for new plant and equipment in 1951 will reach a record total of $23.9 billion. This would be almost one-fourth above the previous peak attained in 1948. Increased capital expenditures over 1950 are anticipated by all industry groups. Manufacturing reported the largest planned increase, 45 percent, and transportation other than railroads was next, up 41 percent, largely as a result of the expanding aircraft and shipbuilding programs. If the projected plans go through, manufacturing firms would account for almost half of all capital outlays by American business in 1951.

The implementation of this capital expenditure program is evidenced by the record volume of construction activity in the first quarter of 1951. Total value of new construction put in place during this period amounted to $6.1 billion, 21 percent above the total for the first three months of last year and the largest first-quarter total in our history. In contrast to the pattern of last year, private home building is now lagging behind other construction activity. The largest increases are now in industrial and commercial building and military installations.

Easter Sales Disappointing

Easter trade did not come up to retailers' expectations. Department store sales in the last three pre-Easter weeks, ending March 24, averaged about 13 percent above the corresponding weeks of last year but were just about the same as sales in the three pre-Easter weeks of 1950, which came in April. Considering the magnitude of the price increases that have occurred in the intervening period, this means that physical sales volume was appreciably below last Easter. The poor showing is attributed to a number of factors, among them the early date of Easter, the poor weather in March, and the post-Christmas buying spree which tapered off with the improvement in our military position in Korea.

PATTERN OF RETAIL TRADE · · · By Fred M. Jones · · · Page 8

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Uncontrolled Expansion

Control problems have been partly resolved by abatement of the wave of scare buying that followed the Chinese intervention in Korea. Easter buying by consumers was lower in terms of physical units than last year; and business has relaxed its efforts to accumulate inventories. With these two factors no longer contributing to excessive price advances, the most important source of inflationary pressure, apart from the war program itself, is the drive to expand business plant and equipment.

According to the latest survey by the Department of Commerce and the Securities and Exchange Commission, business expenditures for new plant and equipment are moving up toward an annual rate of $25 billion in the second half of this year. One of the most common arguments in support of such an expansion is that higher production provides one of the best means of combating inflation. It could, of course, work that way, in the course of time and in the absence of a further mobilization build-up. But it cannot work that way in the near future unless expansion programs are brought under control.

How Much Need for Capacity?

Implicit in the argument for expansion is the idea that all new capacity results in increased production — overlooking the fact that capacity which cannot be used or merely displaces other capacity now in use adds nothing to output. Except for a few categories that can readily be singled out as nonessential, such as race tracks and night clubs, little question has been raised as to the underlying need for the new capacity.

It is perhaps appropriate in an emergency that attention should be directed first toward programs for getting things done — such things, in addition to the military program, as the railroad equipment program, the oil program, the electric power program, the farm machinery program, the machine tools program, and still others yet to be announced. But this approach should hardly be carried to the point where it precludes an appraisal of competing demands that may well overload our resources and thus interfere with getting essential things done.

No doubt much of the projected expansion is essential in character and will make a real contribution to needed production. Equally without doubt, part of the currently projected expansion cannot be justified on these grounds. Possibly even the larger part of the new plant and equipment will merely enlarge capacity that is already sufficient to meet essential requirements. There is, for example, a good deal of expansion going on in such lines as consumer durable goods where materials shortages make it necessary to cut back production from the high levels already achieved. In some cases, new facilities are frequently being provided for war work just because it is desired to leave other, convertible facilities undisturbed for high-level civilian output as soon as such production can be resumed.

In a period like the present there are many reasons for undertaking expansion. Some firms seek additional facilities merely to avoid the inconvenience and high cost of overtime work. Some see opportunities for improving efficiency by replacing usable equipment with newer and more efficient types. Others wish to improve their competitive positions in established lines, or possibly even to enter new lines of production. Still others simply seek to provide themselves with facilities they consider desirable for future peacetime use but previously hesitated to construct because high levels of activity did not seem assured. All such incentives are, of course, greatly increased insofar as rapid amortization privileges are available; for these in effect free capacity of future charges by writing off its cost during the period of high activity, high profits, and high taxes.

Many of these reasons cannot be considered adequate to warrant use of scarce resources in a period of defense emergency. During World War II there was a tremendous cutback in facilities programs after the initial surge of expansion. Nonresidential building was cut by more than three-fourths from the peak reached in the early war years, with no apparent harm to the war effort. Similarly, producers' expenditures for new durable equipment were cut in half from 1941 to 1943, and might have been cut still further if materials supplies had not permitted an increased flow for civilian work.

Controls That Meet the Need

Today, as then, control policy faces an area of decision in which it is possible either to provide more facilities or to produce more of the great variety of goods that compete for the same materials. In many cases the industrial or commercial buildings will be no more essential than new homes, the machinery and equipment no more essential than automobiles or refrigerators. It may be stated as a general rule that no facility is more essential than the end products it is designed to produce.

At the same time, it should be recognized that production of new facilities will be more inflationary than production of goods. Both require the use of limited resources; both generate income and purchasing power. But the goods absorb that purchasing power as they move into the hands of consumers, whereas the facilities leave a larger margin of consumer demand unsatisfied.

All this is not to say that *needed* expansion should not be permitted to go forward. What the situation requires is precisely a determination that each projected expansion is needed.

The character of the problem thus stated points in turn to the character of the controls needed for its solution. Indirect controls cannot meet this need. For such controls are incapable of distinguishing between the essential expansion that must go forward and the nonessentials that will be blown up out of all proportion if left uncontrolled.

(Continued on page 9)

THE FOUNDRY INDUSTRY

More foundries are located in Chicago than in any other city in the country. Illinois foundries are distributed almost equally between this highly industrialized metropolitan area and the rest of the State, with secondary concentrations around East St. Louis, Rockford, and Rock Island-Moline. Altogether there are about 450 foundries in Illinois, which was the third ranking state in number of metal-casting plants reported in 1949-1950.

The foundry industry as a whole is made up of a large number of relatively small units manufacturing semi-fabricated metal castings which are usually shipped only a short distance to be finished. For the most part, Illinois foundries supply near-by markets, and about 85 percent of their castings is consumed within the State.

It has been estimated that a foundry must handle from 150 to 200 tons of raw materials for each ton of castings shipped. The source of these materials is an important factor in foundry operations since their long distance transportation would be very costly.

The fact that Illinois ranks high in the production of almost all the materials required for foundry operations is largely responsible for its importance in the industry. The State leads the nation in production of both foundry sand and fluorspar, which is commonly used by foundries as a flux.

Types of Castings

Although a plant may cast more than one type of metal, there are two main divisions of foundry products, ferrous and nonferrous. In both Illinois and the country as a whole, ferrous castings, including gray iron, steel, and malleable iron products, are produced in larger tonnages than are nonferrous foundry products.

The 1947 Census of Manufactures revealed that Illinois is an outstanding producer of ferrous castings, ranking second in dollar value of steel foundry production, third in malleable iron, and fourth in gray iron.

Plants manufacturing gray iron castings represent the largest class of foundries, both in the nation and in Illinois, where 112 gray iron founders employed 11,000 workers and had an $82 million value of product in 1947. Largest tonnage production is in molds for heavy steel ingots, chilled-iron railroad car wheels, and iron pipe.

Although there were only 20 Illinois steel foundries in 1947, their $65 million value of product represented 16 percent of the national total. Almost all large establishments, they had an average of 480 employees compared with an average of 100 employees in Illinois gray iron foundries. Largest markets for steel castings are railroads, machinery and tool makers, and rolling mills.

The nonferrous foundry industry in Illinois, the second ranking state in this field, is made up of a large number of small plants having an average of only 50 employees. Their product value in 1947, however, was almost as high as that of gray iron foundries. Sales of the 176 Illinois plants manufacturing nonferrous castings topped $80 million, 14 percent of the national total.

Aluminum and copper castings are the most important nonferrous foundry products made in this State. Each type accounted for one-third of the total value of nonferrous castings produced in Illinois in 1947, with the remainder in zinc, magnesium, lead, and other metals.

Processing Operations

In casting, liquid metal is poured into a prepared cavity in which it solidifies into the desired size and shape. This method of forming parts competes with other processes such as forging, stamping, and machining.

The cavity into which the molten metal is poured must have refractory properties to keep it from breaking down under intense heat. Sometimes plaster of Paris or metal molds are used, but the most common mold material used in Illinois foundries is sand, from five to ten tons of which must be handled for every ton of castings produced.

Large quantities of water are required for cooling and flushing the molds, and concentrations of foundries in the State are located near major sources of water supply, the Mississippi and Illinois rivers and Lake Michigan. These waterways also provide transportation for many of the raw materials needed by the industry.

Foundries have not progressed far in mechanization and remain largely manual, requiring a high degree of skill. It has been estimated that the cost of labor is over 50 percent of the total manufacturing cost of producing gray iron castings, a ratio probably paralleled in other types of foundries.

Job and "Captive" Production

Although most commercial foundries do jobbing work exclusively, some are operated by a parent manufacturing concern and are classed as "captive" foundries. Such plants may contract to do additional work on a jobbing basis, but the extent to which they make castings for sale varies widely.

The captive output of the steel foundry industry in Illinois is relatively small, but the foundries in the malleable and gray iron classes reported a captive production of over 50 percent to a University of Illinois survey (Bureau of Economic and Business Research Bulletin 70, *The Foundry Industry in Illinois,* March, 1950.)

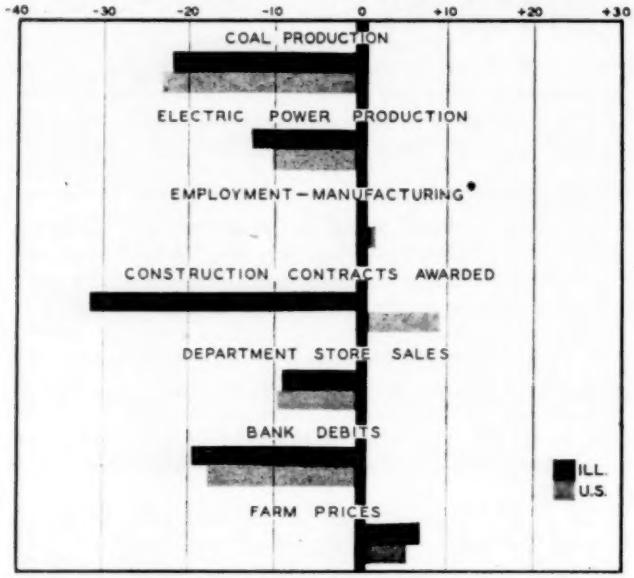
During World War II casting tonnages hit all-time highs. Foundry employment in Illinois trebled and is still near its peak. National foundry production in 1950, including both captive and for-sale operations, showed large increases over 1949 totals, which were severely affected by the series of industrial strikes during that year. Steel castings were almost up to the 1948 postwar record of 1.7 million tons and gray iron production of 13 million tons in 1950 exceeded the 1948 postwar high.

The largest increases in production last year came after the start of the Korean War. It seems likely that a continued period of war production will again bring increasing demand for castings, which are basic to almost every machine for war and civilian use.

STATISTICAL SUMMARY OF BUSINESS ACTIVITY

SELECTED INDICATORS

Percentage changes January, 1951, to February, 1951



* Figure for Illinois not available.

ILLINOIS BUSINESS INDEXES

Item	February 1951 (1935-39 =100)	Percentage Change from Jan. 1951	Percentage Change from Feb. 1950
Electric power[1]	303.8	−12.4	+20.1
Coal production[2]	117.6	−21.4	+285.5
Employment—manufacturing[3]	n.a.	....	....
Payrolls—manufacturing[3]	n.a.	....	....
Dept. store sales in Chicago[4]	262.3[a]	− 8.3	+20.2
Consumer prices in Chicago[5]	188.5[b]	+ 1.7	+ 9.3
Construction contracts awarded[6]	254.1	−31.1	−23.6
Bank debits[7]	302.1	−19.6	+16.6
Farm prices[8]	280.8	+ 6.1	+32.1
Life insurance sales (ordinary)[9]	183.3	− 2.4	+ 4.8
Petroleum production[10]	197.3	−12.4	− 7.9

[1] Fed. Power Comm.; [2] Ill. Dept. of Mines; [3] Ill. Dept. of Labor; [4] Fed. Res. Bank, 7th Dist.; [5] U. S. Bur. of Labor Statistics; [6] F. W. Dodge Corp.; [7] Fed. Res. Bd.; [8] Ill. Crop Repts.; [9] Life Ins. Agcy. Manag. Assn.; [10] Ill. Geol. Survey.
[a] Seasonally adjusted. [b] New series. Old series index for January was 189.7. n.a. Not available.

UNITED STATES MONTHLY INDEXES

Item	February 1951	Percentage Change from Jan. 1951	Percentage Change from Feb. 1950
	Annual rate in billion $		
Personal income[1]	241.0[a]	0.0	+11.9
Manufacturing[1]			
Sales	277.2[a]	−1.3	+36.7
Inventories	35.5[a, b]	+1.4	+22.4
New construction activity[1]			
Private residential	10.4	− 4.1	+20.5
Private nonresidential	8.2	+ 1.6	+25.0
Total public	5.2	−12.5	+22.2
Foreign trade[1]			
Merchandise exports	12.9	+10.4	+40.4
Merchandise imports	10.9	−11.3	+50.9
Excess of exports	2.0	....	....
Consumer credit outstanding[2]			
Total credit	19.5[b]	− 1.9	+20.9
Installment credit	13.1[b]	− 1.4	+20.0
Business loans[2]	18.7[b]	+ 4.0	+35.4
Cash farm income[3]	22.0	−25.8	+14.8
	Indexes (1935-39 =100)		
Industrial production[3]			
Combined index	221[a]	0.0	+22.8
Durable manufactures	272[a]	+ 1.1	+31.4
Nondurable manufactures	199[a]	− 1.0	+10.6
Minerals	158[a]	− 3.7	+33.9
Manufacturing employment[4]			
Production workers	167	+ 0.5	+14.5
Factory worker earnings[4]			
Average hours worked	109	0.0	+ 3.3
Average hourly earnings	261	+ 0.6	+10.1
Average weekly earnings	286	+ 0.6	+13.7
Construction contracts awarded[5]	483	+ 9.3	+46.2
Department store sales[2]	326[a]	− 9.9	+16.4
Consumers' price index[4]	184[c]	+ 1.3	+ 9.5
Wholesale prices[4]			
All commodities	228	+ 1.9	+20.2
Farm products	267	+ 4.3	+27.3
Foods	237	+ 3.0	+19.8
Other	212	+ 0.9	+17.8
Farm prices[3]			
Received by farmers	293	+ 4.3	+32.1
Paid by farmers	221	+ 1.5	+11.3
Parity ratio	113[d]	+ 2.7	+17.7

[1] U. S. Dept. of Commerce; [2] Federal Reserve Board; [3] U. S. Dept. of Agriculture; [4] U. S. Bureau of Labor Statistics; [5] F. W. Dodge Corp.
[a] Seasonally adjusted. [b] As of end of month: [c] New series 183.8; old series 184.2 [d] Based on official indexes, 1910-14 = 100.

UNITED STATES WEEKLY BUSINESS STATISTICS

Item	1951					1950
	March 24	March 17	March 10	March 3	Feb. 24	March 25
Production:						
Bituminous coal (daily avg.) thous. of short tons	1,687	1,653	1,670	1,858	1,682	2,085
Electric power by utilities mil. of kw-hr.	6,848	6,903	6,795	6,822	6,833	5,993
Motor vehicles (Wards) number in thous.	167.2	172.3	169.9	166.9	188.7	133.9
Petroleum (daily avg.) thous. bbl.	5,953	5,959	5,964	5,934	5,864	4,781
Steel 1935-39 = 100	226.4	224.2	226.2	223.5	222.8	203.9
Freight carloadings thous. of cars	749	745	750	786	735	717
Department store sales 1935-39 = 100	304	292	303	288	274	279
Commodity prices, wholesale:						
All commodities 1926 = 100	183.9	183.4	183.5	183.0	183.3	151.7
Other than farm products and foods 1926 = 100	172.1	171.7	171.8	171.2	170.9	145.4
28 commodities August, 1939 = 100	378.3	379.1	382.9	388.3	390.4	246.1
Finance:						
Business loans mil. of dol.	19,173	18,956	18,689	18,733	18,588	13,843
Failures, industrial and commercial number	170	185	153	170	127	186

Source: *Survey of Current Business, Weekly Supplements.*

RECENT ECONOMIC CHANGES

Production Continues High

Industrial activity as measured by the Federal Reserve Board index is maintaining a record peacetime level. Even in February, when the rail switchmen's strike hampered shipments, output stayed at a peak 221 percent of the 1935-39 average. The Board estimated that production in March reached a new postwar high of 223, noting that consumer goods, especially cars and household appliances, are still being turned out at a rapid rate in spite of expanding defense production. Steel output exceeded rated capacity each week during March by nearly 1.5 percent, with more than 2 million tons of net ingots and castings produced weekly. Automotive operations were maintained at high though not record levels. Weekly turnout averaged 170,000 vehicles despite restrictions on steel, copper, aluminum, and tires. Generally materials are being eked out or replaced with substitutes to prolong high-level production.

Peak production of nondurables in the past few months, together with defense mobilization, has heightened the demand for paper and paperboard products. As shown in the accompanying chart, both total production and paper and paperboard output are substantially above previous levels. Unfilled orders for paper and paperboard are also much higher, having jumped from about a two-week backlog of orders to more than a three-week backlog after the Korean outbreak. In consequence of high demand, wholesale prices for paper and paper products rose sharply before leveling off in February.

Prices More Settled

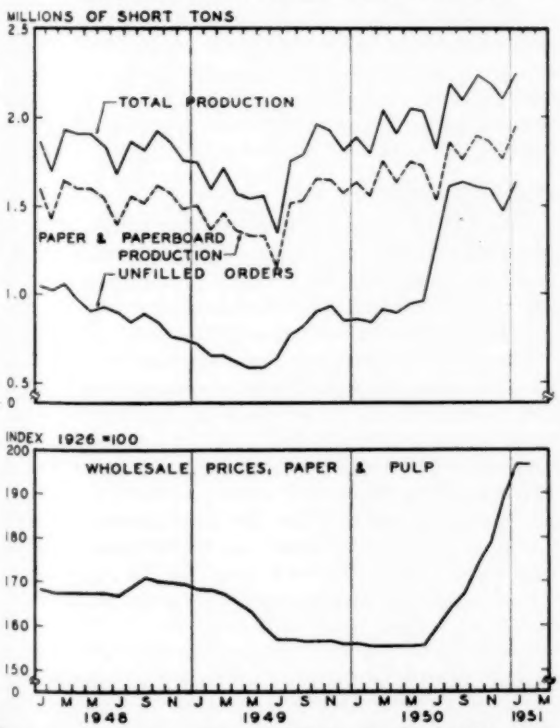
Wholesale and farm prices were somewhat more stable during March than had been the case in preceding months. The price index of 28 basic commodities, which had risen as much as 5 or 6 percent monthly in past months, declined in March, falling by 2.7 percent. Import and industrial prices were chiefly responsible, with decreases of 3.8 percent and 2.4 percent, respectively. Farm products, up very slightly, showed the only increase during March.

The comprehensive index of wholesale prices rose only fractionally, mainly in response to higher prices for farm products. Food prices, lately of much concern at the retail level, fell by 0.7 percent. A 2 percent decline in chemicals and allied products was the largest change for the four-week period ended March 27.

Farm prices received, which rose 4 percent in the month ended February 15, were also steadier in the latest monthly period ended March 15. Somewhat lower prices for food grains, dairy products, and hogs combined with substantially lower prices for truck crops to cause a decline of 2 index points in prices received to 311 (1910-14 = 100). Prices paid, however, rose about 1.5 percent to 280 percent of the base period average. As a result the parity ratio dropped two points, from 113 to 111.

Only the consumers' price index continued to change as much or more than in recent preceding months. According to the revised BLS index, consumers' prices rose by 1.3 percent during the month ended February 15 to a new record high of 183.8 (1935-39 = 100). This increase raised the index to a point 8 percent over the June 15, 1950, level. Food and apparel prices were nearly 2 percent higher than in January and home furnishings were up by more than 1 percent.

PAPER AND PAPERBOARD TRENDS



Sources: American Paper & Pulp Ass'n; National Paperboard Ass'n; U. S. Depts. of Commerce and Labor.

Employment Rises

Employment in March rose seasonally, with nearly 1.3 million more workers on the job than in February. Only about one-third of the rise occurred in farm work, nonfarm employment gaining 800,000. The seasonal upturn in construction and defense production were the main causes of the nonfarm increase. The total advance over February was one of the largest ever recorded for this time of year. Many of the workers going into nonagricultural work were recruited from the out-of-work ranks so that unemployment dropped by 260,000. Part-time work declined sharply as the number of workers at full-time jobs rose by 1.8 million. Bureau of Census data, in thousands of workers, are as follows:

	March 1951	*February 1951*	*March 1950*
Civilian labor force	62,325	61,313	61,675
Employment	60,179	58,905	57,551
Agricultural	6,393	5,930	6,675
Nonagricultural	53,785	52,976	50,877
Unemployment	2,147	2,407	4,123

Construction Rises Seasonally

Building activity made its usual seasonal upturn in March, and advanced 10 percent over February to a total of $2.1 billion. Practically all residential and business categories shared in the increase. Private nonfarm residential and industrial building showed good gains but the largest percentage advances occurred in public utility and farm construction. All classifications of public construction rose over February, the largest increase appearing in highway construction.

Building restrictions imposed since last June to conserve materials for defense projects have caused important shifts in the first quarter of this year as compared

with the corresponding period of 1950. Whereas private nonfarm residential construction increased 17 percent over 1950, nonresidential building had jumped 52 percent, led by a 95 percent advance in industrial construction and a 71 percent gain in warehouses and lofts and offices. In the public category, industrial construction was four times greater and military and naval building was three and one-half times larger than in the first quarter of 1950. Total construction for the three months was 21 percent, or more than $1 billion, higher.

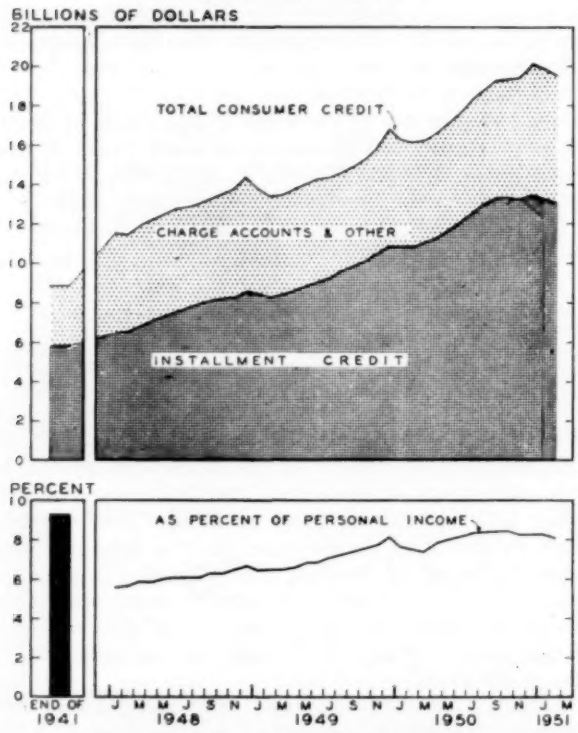
Business Loans Continue to Expand

Bank loans to commercial, agricultural, and industrial enterprises continued their upward movement during March. A $470-million increase for the four-week period ended March 28 raised total business loans outstanding to $19.2 billion. In the nine months since the start of the Korean hostilities loans have risen by $5.6 billion, or more than 40 percent. Increases in the various Federal Reserve districts ranged from 24 percent to 57 percent, with increases in both the Chicago and St. Louis districts above average.

Consumer credit, on the other hand, dropped during February for the second consecutive month. Total credit outstanding was down $400 million to $19.5 billion. Charge accounts dropped $217 million; installment credit by $183 million. Part of the drop, as may be noted in the accompanying chart, is seasonal in nature; but there has been no advance in installment credit since regulations were tightened last October. Declines in credit for automobile purchases continued in the face of a high level of sales, reflecting the effect of Federal Reserve Board credit controls.

Despite the record level of consumer credit, the ratio of consumer credit to personal income has not yet reached the 1941 level. At 8.1 percent at the end of February, the ratio still was much below the 9.3 percent at the end of the prewar year.

CONSUMER CREDIT



Sources: Federal Reserve Board; U. S. Dept. of Commerce.

In addition to curbs on consumer credit initiated last fall, the FRB is asking lending institutions to limit business loans voluntarily. Banks, insurance companies, and other private lenders are requested to refuse loans which would serve to aggravate inflationary pressures; the FRB also set up standards for the voluntary controls, through definitions and examples of "proper" and "improper" loans. It is hoped that loans will be limited to those which would help "maintain or increase production, processing, and distribution of essential goods and services."

Rail Transport Pinched

In recent months the railroads have had difficulty in meeting demands for their services. This is reflected in the shortages of cars needed to handle movements of commodities usually shipped at this time. Beginning with daily average surpluses of 111,000 and 166,000 cars in January and February of 1950, surpluses reported in December and January were down to about 6,000 cars daily. On the other hand, daily average shortages reported for other types of cars and in other areas moved from less than 600 cars in the first two months of 1950 to 15,000-20,000 freight cars last December and January. In February, the ten-day switchmen's strike led to a boost in daily shortages to 30,000 cars.

It does not appear, either, that the situation will improve rapidly in the near future. Although steel allocation plans call for 10,000 new cars each month, deliveries in January and February were less than 6,000 cars monthly. Considering the retirement of old cars, the net monthly additions have been very small. Complaints from grain-producing areas have been widespread in recent months, and steel and lumber producers have also had difficulty. As a result the Interstate Commerce Commission has issued two directives designed to relieve the situation somewhat: freight cars carrying packaged grain, grain products, and grain by-products are to be loaded to capacity unless a special permit is obtained; and penalty demurrage charges will be assessed for delays in handling refrigerator cars. One steel official has suggested a seven-day loading week to provide more rail service.

Capital Expenditures Still Growing

Anticipated business spending on new plant and equipment in 1951 has been revised to $23.9 billion, up $2 billion from the total estimated three months ago and 29 percent over the 1950 outlay. An estimated two-thirds of the increase reflects greater physical volume. The largest upward revision occurred in manufacturing, in which new plant worth more than $1.3 billion was added to future projects to raise total anticipated expenditures to $11.9 billion, 45 percent over 1950. Mining, railroads, and other transportation also expect to make much greater outlays.

First-quarter additions to plant and equipment, although down somewhat from the final quarter of 1950, were expected to be substantially higher than for the corresponding quarter of last year. Total expenditures were half again as large; manufacturing outlays were three-fourths larger. Railroads expected to boost their expenditures by 56 percent, other transportation by nearly 90 percent. Mining and public utilities plan expenditures more than one-fourth larger than those of the first quarter, 1950. The smallest increase over 1950 appeared in commercial and miscellaneous firms — trade, service, finance, and communications.

BUSINESS BRIEFS

PUBLICATIONS AND DEVELOPMENTS OF BUSINESS INTEREST

Protective Coatings

An air-drying plastic coating has been developed for the protection of tank cars, pipes, structural steel parts, and other equipment exposed to attack by corrosive materials, weathering, or rust. Produced by the United States Rubber Company (Rockefeller Center, New York 20, New York), it is expected to find wide use in chemical processing, rayon and cellophane production, filtering and electroplating, and mining operations. The coating, which can be made in a variety of colors, will be marketed under the trade name U. S. Royalguard. It will not chip or crack and can be used on steel, aluminum, concrete, hardwood, or composition board.

Another maintenance product recently announced is Du Pont Neoprene, a synthetic rubber made by the Gates Engineering Company, Wilmington, Delaware. It can be applied as an air-drying protective coating on structural steel, concrete, wood, and exterior surfaces of tanks and equipment wherever liquids or corrosive fumes are too severe for the best types of bituminous or oil-base industrial paints. Applied by brush or spray gun, it is said to have the same elasticity, non-chipping qualities, and good abrasion resistance as any other rubber product.

Glass Filter Paper

The Office of Public Information (Washington 25, D.C.) has announced the development by the Department of Defense of a glass filter paper described as being 5,000 times more effective than filters now commercially available. Made of glass fibers 1/20 of the thickness of human hair, the paper can be produced in conventional paper mills without specially trained personnel. It has excellent electrical insulating properties, and will allow a reduction in the size of condensers used in electronic equipment because it is thinner and capable of withstanding more intense heat than insulating paper now used in condensers.

High-Temperature Refractory

A new refractory product called Zirconia has been put on the market by the Norton Company, Worcester, Massachusetts (manufacturers of machine tools and abrasive products). It is expected to open an entirely new era in chemical processing at ultra-high temperatures. When manufactured into molded shapes it will withstand working temperatures up to 4,600°F. without failure or distortion. The basic substance in the new product is the element zirconium, which appears in the material as an oxide that has extremely low conductivity for heat and good resistance both to thermal shock and to attack by other molten metals.

Liquid Sealing Agent

The General Electric Company has developed a new liquid, called Permafil, that seals bolts and invisible leaks. Staying liquid only as long as a stream of air bubbles through it, Permafil hardens a few minutes after application. It will penetrate extremely small cracks, and a few drops placed on the threads of a bolt just before the nut is screwed on will grip so tightly that considerable force is required to remove the nut.

Polaroid Copymaker

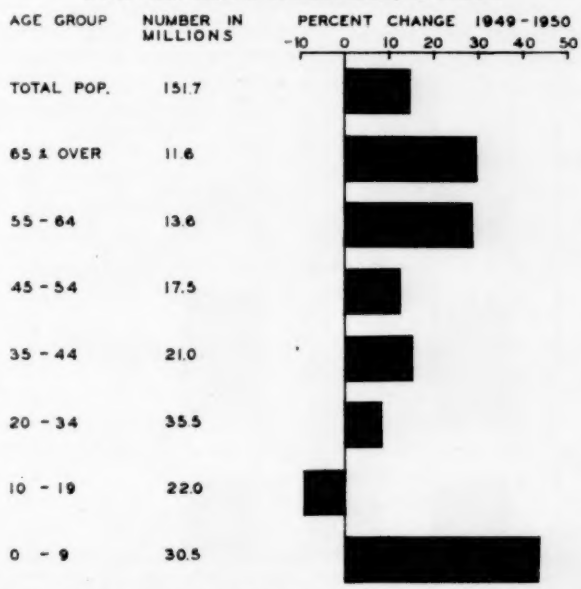
The Polaroid Corporation, Cambridge 39, Massachusetts, is now producing a desk-top copymaker made for use with its Land camera. The device automatically turns out dry, finished copies of documents, letters, drawings, or photographs in one minute, eliminating the delay caused by darkroom processing. It can also make close-up photographs of machine parts and other objects up to 11 by 14 inches. A completely self-contained unit, it can be plugged into an AC outlet and used on a desk top or table.

Manpower

The Bureau of Labor Statistics has put out a *Fact Book on Manpower* which discusses the labor force of the United States, its industrial and occupational distribution, and potential manpower resources in case of national emergency. Striking changes have taken place in the size and composition of the population during the past decade. Between 1940 and 1950 the total United States population increased by about 20 million, to 152 million. Although increases in absolute numbers occurred in all but one age group, the greatest relative increases were among the very young and the very old, as shown by the chart.

The adult population, aged 20 to 64 years, which supplies the armed forces and the civilian labor force, increased by about 10 million, but it constituted a slightly smaller proportion of the total population than in 1940. The sharp increase in numbers of younger children is the result of the all-time high birth rate reached during the war and postwar years. In the age group 10 to 19 years there was an actual decline of over 2 million, reflecting the low birth rate during the depression. Only after 1958 will the number of boys attaining age 18 each year exceed the 1940 level.

POPULATION CHANGES, 1940-1950



Source: Bureau of the Census.

THE SHIFTING PATTERN OF RETAIL TRADE

FRED M. JONES, Associate Professor of Marketing

Current conditions are likely to bring about a shift in the shares of the consumer's dollar that various kinds of stores obtain. To understand what may happen, a review of developments during World War II and the postwar period will be helpful.

War and Postwar Retail Business

Stores that sell durable goods — such as automotive, furniture, building materials, and hardware stores — are in a better position in respect to the consumer's dollar in times of a prosperous free economy than they are during a "defense" or war economy, when restrictions are imposed. Chart 1 shows the relative shares of the consumer's dollar obtained by durable goods and other types of stores in the prewar peak year 1941, the war year 1944, and 1949, the last postwar year prior to the war in Korea.

In 1941, when there were no restrictions on credit, pricing, and production, durable goods stores obtained about 28 percent of the amount spent by consumers in retail stores. In 1944, when restriction was in full bloom, the durable-goods stores obtained only about 15 percent of the dollars spent in retail stores. When the restrictions were removed, the portion of the total which the durable-goods stores were able to obtain doubled; by 1949, the durable-goods stores were receiving about 31 percent of the consumer's retail dollar.

As might be expected, some kinds of stores or dealers fared worse than others because of the restrictions. Among these were the motor vehicle dealers. In 1944 the new car dealers were obtaining only about one-fourth as much of the consumer's dollar as they had obtained in 1941; not until 1949 were they again doing as well as in 1941. Total automotive sales were better maintained by high expenditures for repairs and parts.

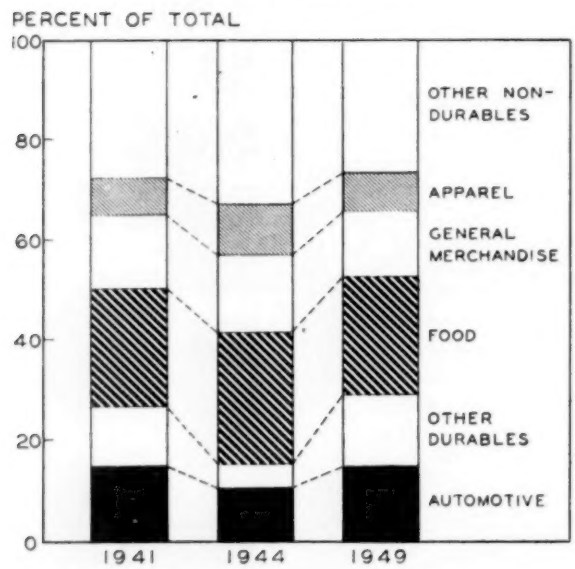
Furniture and house furnishings stores do not appear to have improved their position. This inability to make any significant improvement seems to have been due to several factors. In the first place, the consumer spent more of his income for automobiles and building materials. At the same time, the purchase of certain nondurable goods continued to be necessary, whereas the purchase of furniture and house furnishings could be postponed. In addition, other stores appear to have improved their position in reference to this merchandise, particularly stores that handle household appliances and radios.

In 1941 the nondurable-goods stores obtained about 72 percent of the consumer's dollar spent in retail stores. In 1944 this group of stores was obtaining almost 85 percent of the consumer's dollar. Thereafter a decline set in and by 1949 the nondurable-goods stores were obtaining little more than two-thirds of the consumer's dollar.

Improvement and decline in position varied by kind of store. A group of stores that recovered less than its prewar share was the general merchandise group, comprising department, variety, general, and dry goods stores. Conditions that promote the development of specialty stores, such as appliance stores, work to the disadvantage of the general store. This is a trend which has been going on for a long time.

By 1949 the stores composing the apparel group were also in a less advantageous position than they had been in 1941. These stores had increased the 7.5 percent share of the consumer's dollar they were obtaining in 1941 to 10 percent in 1944; but by 1949 they were receiving only 7.2 percent of the consumer's dollar. Within this group, women's apparel and accessory stores appear to have maintained their position, but they experienced a severe letdown from the 1944 level, when sales had expanded as a result of the large increase in women among the gainfully employed.

Chart 1. DISTRIBUTION OF RETAIL SALES DOLLAR



Source: U. S. Dept. of Commerce.

Changes Since Korea

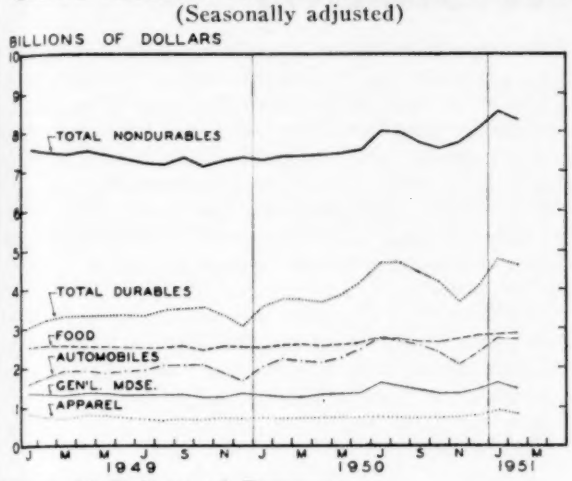
Retail sales picked up early in 1950 from the dip in the latter part of 1949 and were at a relatively high level when the Korean War broke out. The outbreak of hostilities precipitated a wave of scare buying. It was the signal for consumers to go into action; they descended on stores and bought large quantities of merchandise in anticipation of its soon being unavailable. July is usually one of the poorest months for the retailer, but in 1950 it was one of the best. Chart 2 shows the large bulge in sales that occurred at that time.

In July and August of 1950 consumers spent more for automobiles than they had ever spent before in a two-month period. For the year 1950 as a whole, automobile dealers and automotive parts and accessory stores obtained about one-fifth of the amount spent in retail stores. In no previous year has the automotive group of stores obtained so large a percentage of the retail sales dollar. Largely because of the business done by automotive firms, the sales of durable-goods stores amounted to almost 35 percent of the sales of all retail stores in 1950.

After August, sales dropped back somewhat. The United Nations forces broke out of the Pusan beachhead and began a comparatively unopposed northward advance. It appeared to consumers that, with the allied forces victorious, goods would continue to be plentiful.

The entrance of the Chinese into the war and the military reverses that followed in the latter part of the year again raised doubts about the supply of merchandise

Chart 2. RECENT TRENDS IN RETAIL SALES
(Seasonally adjusted)



Source: U. S. Dept. of Commerce.

and led to a second wave of anticipatory buying. In this wave, sales again reached a new high level. Dollar volume in the first quarter of 1951 was at an all-time high for that period of the year, and on a seasonally adjusted basis even exceeded July and August of 1950.

Prospects for Sales and Profits

The dollar volume of retail sales is very likely to increase during the remainder of 1951, because prices are expected to remain at a high level and no drastic reduction in the over-all supply of merchandise is expected. There will, however, be a shift in the distribution of consumer buying back toward the wartime pattern.

With higher employment this year than last, apparel sales volume is expected to be greater than it was in 1950. An increasing number of women among the gainfully employed will cause the sale of women's apparel to increase even more rapidly than the total. This larger volume will bring in even more dollars because prices are now so much higher.

High prices and high employment will also cause the sales of stores in the food group to increase.

A basic factor which operates in favor of an increased volume of retail sales is the increase in population. During 1951 more than two million people will be added to the population. The continuing high birth rate suggests that there will be an increase in the sale of infants' apparel and other merchandise for the very young.

In contrast to these gains, the restrictions that have been applied to materials required by the armed forces may have a considerable effect on the pattern of retail trade. When the raw materials needed to produce consumer durable goods are used to produce military equipment and supplies, there will be less merchandise available for sale to the consumer. These restrictions have not as yet caused any significant reduction in the sale of durable goods. Not until the military program produces a greater impact than it has up to this time will it bring about any important change in the pattern of retail trade.

At present it does not seem likely that an important shift in the pattern will occur before the last half of 1951, but that a shift will eventually occur is almost certain, even apart from the military program. Consumers will not go on buying durable goods as they have since the outbreak of the Korean War. The very nature of durable goods causes their sales to be highly cyclical; once the consumer has purchased a durable good he is not in the market for some time again. In addition, continued substantial expansion of military plant and personnel will lead to an actual shortage of durable goods, and this will cause an increase in the percentage of the retail sales dollar which nondurable stores obtain.

On the other hand, the prospective reduction in sales of such durables as automobiles should not be exaggerated. This is not an all-out war program, and its takings will be limited. There should be enough materials left to produce new cars in substantial volume.

Profits will be affected not only by sales volume but also by price changes. At present a margin type of price control is in effect on some merchandise and it is likely to be extended to other kinds of goods. It is difficult to see how margin control can have any fundamental effect in the near future on the manner in which the dollar spent in retail stores is distributed among the various kinds. Rigid fixing of prices was not maintained long enough to effect an important shift in the pattern of retail trade.

All things considered, retailers' profits before taxes seem likely to be as good or better in 1951 than in recent years, when expenses were increasing faster than sales. This resulted in a general tendency for the percentage of profits before income taxes to decrease. In 1950, however, sales appear to have increased faster than expenses, and a similar pattern is expected for 1951. If this occurs, the percentage of profits will be higher in 1951 than it was in 1950. However, wide differences in results for various types of stores are likely.

Uncontrolled Expansion

(Continued from page 2)

This constitutes the basic deficiency of proposals to use credit restriction for this purpose. The problem is not merely to tighten credit until it restricts something, no telling what, but to sort out and exclude the projects that don't have to be undertaken immediately. The banks and other financial institutions would still have to decide between the alternative outlets for their funds. But the best investments would not necessarily be the most important for emergency needs. The regular customers, the good accounts, the sound credit risks are not necessarily those in essential lines of business. The firms whose financial resources are already adequate, or whose earnings are high enough to finance desired expansion, are not necessarily those whose facilities should be expanded.

Nor is this choice between claimants a type of decision that the individual banker or any privately organized group should be called upon to make. A correct decision can be made only by disinterested application of rules of policy designed to govern the production program as a whole.

Possibly, as materials control moves from the priorities phase into that of allocations, a closer scrutiny of expansion needs will be instituted. It is doubtful, however, that any generalized procedure can deal with the specifics of the facilities program. What is required is a specialized administrative operation, which might be of no small magnitude in itself, but minor in comparison with our present ill-conceived mechanisms of price and wage stabilization. In favor of such an operation is the fact that it represents an attack closer to the heart of the control problem. VLB

LOCAL ILLINOIS DEVELOPMENTS

At least a temporary setback in the upward trend of Illinois business activity occurred in February, as a number of indicators registered January to February declines — even after allowance for the shorter month. February decreases in such series as electric power production, department store sales, and bank debits appear to be somewhat greater than those experienced in recent years. However, compared with last year, the State's economy was in a very strong position. The 3.2 million people employed in nonfarm occupations in February represented a 6.8 percent gain over February, 1950.

Steel Production

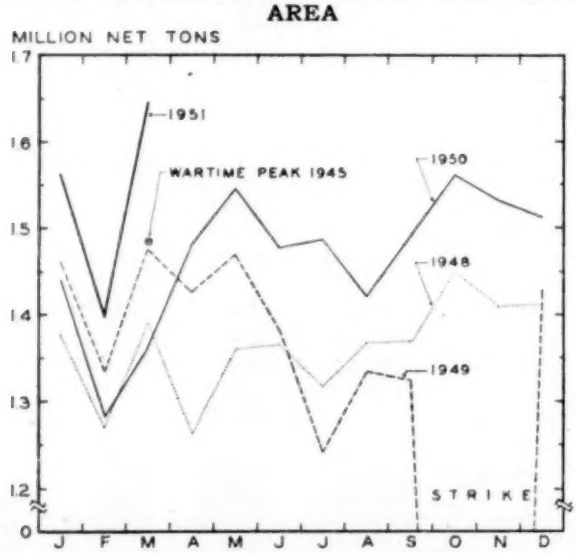
Steel production in the Chicago Industrial Area, comprising mainly mills in Cook County, Illinois, and Lake County, Indiana, climbed to a new all-time high of 1,647,000 net tons in March. This exceeded the previous highs in January, 1951, and in October, 1950, by 5.4 percent. (See chart) The extent to which mills in the area are utilizing their equipment to meet the current demand is indicated by the fact that the lowest production rate during March was 103.5 percent of rated capacity at the beginning of the month, which increased to a record figure of 108.0 percent for the week ending March 31.

Construction

Total value of Illinois construction contracts awarded in February fell off 31 percent from the January level and was 24 percent below February of last year. However, because of the high volume of contracts awarded in January, total contracts for the first two months of this year were 18 percent above those for the same period in 1950.

Early in March, the Defense Department announced multi-million-dollar construction projects for Chanute Air Force Base and Scott Air Force Base. A total of $17 million was authorized for Chanute, $7 million of which is to be spent immediately for constructing permanent barracks, classroom buildings, engine test facilities, and additional fuel storage. Scott Air Force Base was appropriated $10 million.

STEEL PRODUCTION, CHICAGO INDUSTRIAL AREA



Source: Chicago Association of Commerce and Industry.

Two expansion projects, involving approximately $6.8 million, are under way at Decatur. One is the $3.8 million program of the Wabash Railroad Company to expand and modernize its yard facilities. The project involves building of additional tracks, a Diesel engine service terminal, engine and car repair facilities, and livestock pens. Also, the A. E. Staley Manufacturing Company, processor of corn and soybeans, is constructing a $3-million grain storage elevator, to boost its storage facilities from 6 to 11 million bushels.

The Chicago & Eastern Illinois Railroad has announced that it will construct facilities for transferring 10,000 tons of coal daily from rail cars to barges at Joppa. The facilities will cost $250,000 and will include a 700-foot belt conveyor and other equipment. The company also plans to make extensive harbor improvements.

The General Radiator Company has leased 35,000 sq. ft. of space at Ordill, government-owned 22,000-acre site of World War II Illinois Ordnance Works. It will build industrial engine coolers. The Hyster Company, manufacturer of lift trucks and tractor attachments, is expanding its operations in the State and constructing several new buildings at its Peoria plant.

The Sunbeam Corporation, a leading Chicago manufacturer of electric appliances, is constructing a $1.7-million addition to its plant, which is expected to be completed this July.

Ford Motor Company has purchased a 14-acre tract of land in Melrose Park and will construct a service parts depot and a 2-story office building to house the district and regional sales offices of the Ford Division and the Lincoln-Mercury Division. Zenith Radio Corporation is constructing a new manufacturing and assembly plant 2½ miles west of its main plant in Chicago, which it hopes to have in operation by fall. Initial employment is estimated at about 1,000, and is expected to increase to 2,000 within a year.

Prices

Consumers' prices in Chicago advanced 1.7 percent between mid-January and mid-February. On February 15, the index stood at 188.5 (1935-39 = 100), 9.3 percent above the level of a year ago. All major groups of commodities and services contributed to the increase, with food prices, up 3.5 percent, reflecting the greatest gain.

The Peoria retail food price index on February 15 was 236.5 (1935-39 = 100), up 1.3 percent from January 15. The Springfield food price index advanced 1.9 percent during the same period to 238.2. Since last June, retail food prices have risen 12.5 percent in Springfield, 11.8 percent in Chicago, and 9.1 percent in Peoria.

On February 15 the index of prices received by Illinois farmers reached 313 percent of its 1910-14 average, the highest point since January, 1948, and 6.1 percent above the January 15 level. Since prices paid by the nation's farmers rose only 1.5 percent during the month, the Illinois parity ratio rose approximately 3 percent, and on February 15 stood at 113.

Preliminary figures of the 1950 Census show that there were 195,246 farms in the State last year. Without regard to the change in Census definitions, this was a decline of some 9,000 farms since 1945 or 18,000 since 1940. Nationally, it is estimated that the change in definition accounts for as much as 40 percent of the decline in the number of farms since 1945.

COMPARATIVE ECONOMIC DATA FOR SELECTED ILLINOIS CITIES

February, 1951

		Building Permits[1] (000)	Electric Power Consumption[2] (000 kwh)	Estimated Retail Sales[3] (000)	Department Store Sales[4]	Bank Debits[4] (000,000)	Postal Receipts[5] (000)
ILLINOIS		**$16,322**[a]	**888,908**[a]	**$494,178**[a]		**$9,418**[a]	**$10,086**[a]
Percentage Change from	Jan., 1951	*−26.2*	*−4.6*	*−20.4*	*−13.6*	*−19.6*	*−7.3*
	Feb., 1950	*+36.5*	*+14.4*	*+19.4*	*+20.0*	*+16.6*	*+1.8*
NORTHERN ILLINOIS							
Chicago		**$14,117**	**699,574**	**$370,043**		**$8,570**	**$8,756**
Percentage Change from	Jan., 1951	*−11.0*	*−4.4*	*−19.4*	*−14.3*	*−19.5*	*−7.1*
	Feb., 1950	*+44.2*	*+9.2*	*+18.4*	*+19.7*	*+15.9*	*+1.5*
Aurora		**$ 236**	n.a.	**$6,353**		**$ 35**	**$ 70**
Percentage Change from	Jan., 1951	*−41.3*		*−27.2*	*−13.4*	*−18.4*	*−11.0*
	Feb., 1950	*+76.1*		*+15.1*	*+29.3*	*+19.9*	*+2.0*
Elgin		**$ 78**	n.a.	**$4,772**		**$ 24**	**$ 69**
Percentage Change from	Jan., 1951	*+5.4*		*−28.0*	*−6.5*	*−16.7*	*−1.4*
	Feb., 1950	*−51.6*		*+27.6*	*+22.8*	*+16.4*	*+1.4*
Joliet		**$ 159**	n.a.	**$8,379**		**$ 41**	**$ 79**
Percentage Change from	Jan., 1951	*−38.4*		*−23.5*	*−7.8*	*−15.2*	*+25.3*
	Feb., 1950	*−19.7*		*+24.0*	*+27.4*	*+19.0*	*+20.0*
Kankakee		**$ 133**	n.a.	**$4,003**		n.a.	**$ 27**
Percentage Change from	Jan., 1951	*−49.4*		*−25.7*	*+3.7*		*−14.3*
	Feb., 1950	*−33.5*		*+14.0*	*+28.1*		*+10.5*
Rock Island-Moline		**$ 280**	**18,330**	**$8,879**		**$ 29**[b]	**$ 134**
Percentage Change from	Jan., 1951	*−54.8*	*−6.2*	*−21.3*	n.a.	*−11.2*	*−4.4*
	Feb., 1950	*−21.8*	*+15.7*	*+24.6*		*+17.7*	*+14.3*
Rockford		**$ 448**	**25,856**	**$14,971**		**$ 110**	**$ 158**
Percentage Change from	Jan., 1951	*−37.4*	*−1.6*	*−17.4*	*−8.0*	*−8.9*	*−18.5*
	Feb., 1950	*+227.0*	*+19.0*	*+32.8*	*+23.0*	*+32.0*	*+6.6*
CENTRAL ILLINOIS							
Bloomington		n.a.	**5,103**	**$4,774**		**$ 40**	**$ 70**
Percentage Change from	Jan., 1951		*−4.1*	*−22.1*	n.a.	*−23.8*	*−23.8*
	Feb., 1950		*+13.7*	*+18.4*		*+13.6*	*−9.1*
Champaign-Urbana		**$ 119**	**7,482**	**$6,436**		**$ 42**	**$ 61**
Percentage Change from	Jan., 1951	*−31.6*	*−6.7*	*−22.3*	n.a.	*−28.8*	*−16.8*
	Feb., 1950	*−12.5*	*+2.4*	*+15.8*		*+18.7*	*−27.7*
Danville		**$ 165**	**7,384**	**$5,225**		**$ 34**	**$ 41**
Percentage Change from	Jan., 1951	*+205.6*	*−6.9*	*−24.9*	*−14.8*	*−19.8*	*−13.0*
	Feb., 1950	*+175.0*	*+11.0*	*+20.1*	*+12.0*	*+18.6*	*−7.0*
Decatur		**$ 98**	**17,914**	**$8,504**		**$ 70**	**$ 83**
Percentage Change from	Jan., 1951	n.a.	*−9.5*	*−23.9*	*−18.8*	*−28.3*	*+6.6*
	Feb., 1950	*+24.1*	*+34.4*	*+26.3*	*+5.9*	*+30.2*	*+8.2*
Galesburg		**$ 67**	**5,789**	**$3,720**		n.a.	**$ 27**
Percentage Change from	Jan., 1951	*+28.8*	*+0.8*	*−24.4*	n.a.		*−21.5*
	Feb., 1950	*+204.5*	*+24.6*	*+26.7*			*+10.5*
Peoria		**$ 171**	**46,040**[c]	**$16,464**		**$ 189**	**$ 170**
Percentage Change from	Jan., 1951	*−93.2*	*−7.0*	*−20.0*	*−10.6*	*−21.0*	*−6.0*
	Feb., 1950	*−28.2*	*+19.0*	*+23.8*	*+18.3*	*+33.7*	*+17.4*
Quincy		**$ 103**	**7,782**	**$4,449**		**$ 30**	**$ 59**
Percentage Change from	Jan., 1951	*−12.0*	*+12.8*	*−24.6*	*−14.0*	*−16.8*	*−4.3*
	Feb., 1950	*−12.0*	*+30.0*	*+19.3*	*+22.0*	*+15.2*	*−5.7*
Springfield		**$ 153**	**22,385**[c]	**$11,762**		**$ 74**	**$ 176**
Percentage Change from	Jan., 1951	*−75.5*	*−3.7*	*−22.7*	*−8.0*	*−19.6*	*−15.7*
	Feb., 1950	*−5.6*	*+13.9*	*+23.2*	*+37.9*	*+21.4*	*+1.6*
SOUTHERN ILLINOIS							
East St. Louis		**$ 34**	**10,483**	**$7,756**		**$ 106**	**$ 45**
Percentage Change from	Jan., 1951	*−69.6*	*−10.2*	*−24.0*	n.a.	*−25.2*	*+8.3*
	Feb., 1950	*−57.5*	*+21.5*	*+20.4*		*+18.8*	*+9.1*
Alton		**$ 49**	**10,032**	**$4,063**		**$ 24**	**$ 25**
Percentage Change from	Jan., 1951	*−78.4*	*−12.4*	*−31.3*	n.a.	*−19.5*	*+1.5*
	Feb., 1950	*−81.6*	*+6.6*	*+13.8*		*+18.7*	*+29.1*
Belleville		**$ 10**	**4,753**	**$3,626**		n.a.	**$ 34**
Percentage Change from	Jan., 1951	*−78.7*	*−3.9*	*−23.8*	n.a.		*−18.4*
	Feb., 1950	*−70.6*	*+19.6*	*+15.0*			*+10.7*

Sources: [1] U. S. Bureau of Labor Statistics. Data include Federal construction projects. [2] Local power companies. [3] Illinois Department of Revenue. Data are for January, 1951, the most recent available. Comparisons relate to December, 1950. [4] Research Departments of Federal Reserve Banks in Seventh (Chicago) and Eighth (St. Louis) Districts. [5] Local post office reports.

[a] Total for cities listed.

[b] Moline only.

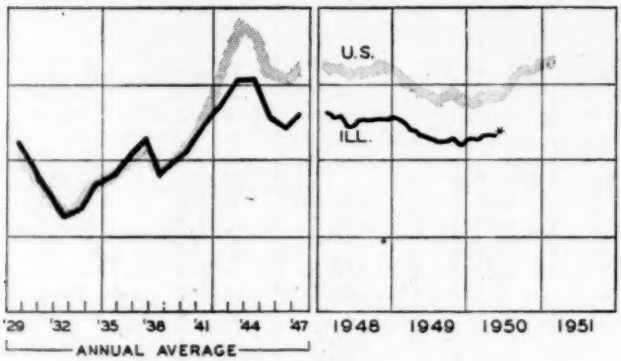
[c] Includes immediately surrounding territory.

n.a. Not available.

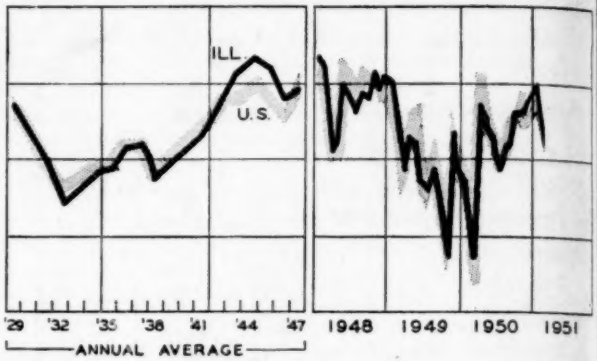
INDEXES OF BUSINESS ACTIVITY

1935-1939 = 100

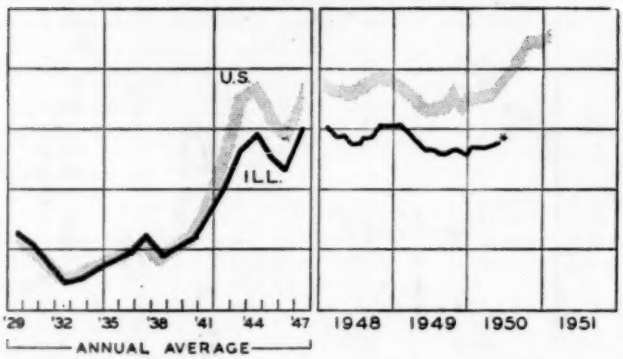
EMPLOYMENT-MANUFACTURING



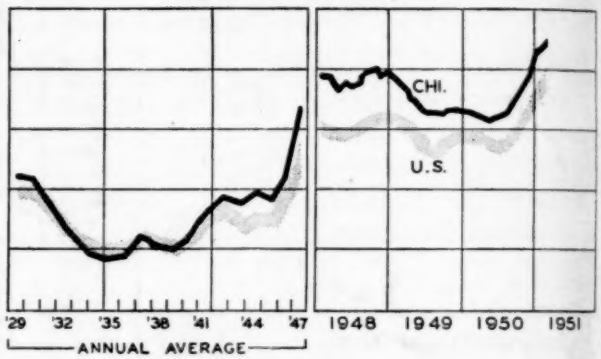
COAL PRODUCTION



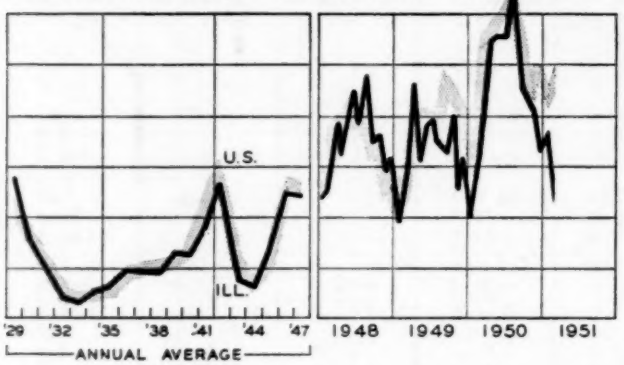
PAYROLLS-MANUFACTURING



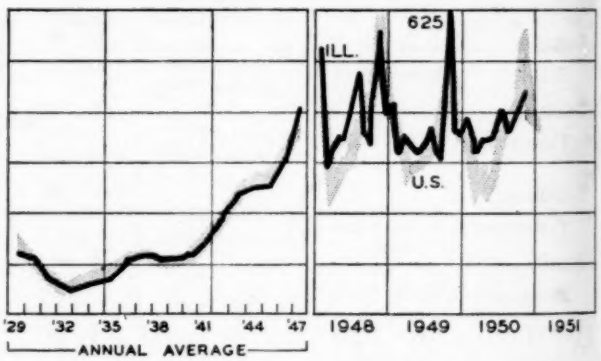
BUSINESS LOANS



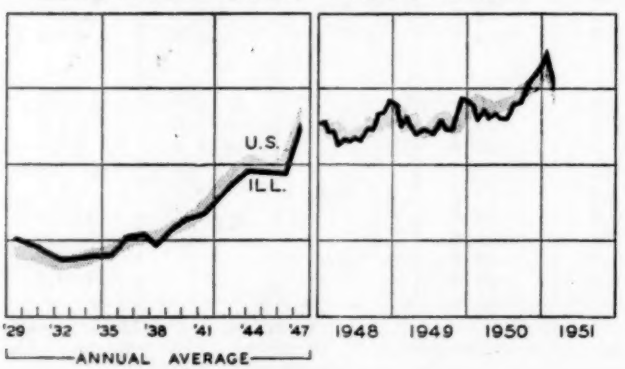
CONSTRUCTION CONTRACTS AWARDED



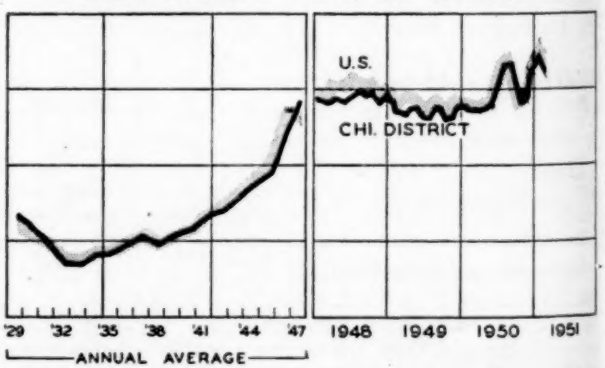
CASH FARM INCOME



ELECTRIC POWER PRODUCTION



DEPARTMENT STORE SALES



* Illinois figures being revised.